

PRESS RELEASE

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FIRST QUARTER 2020 RESULTS KARDAN N.V.

Highlights Q1 2020:

Following is a summary of net profit (loss) attributable to equity holders, by activity. Management evaluates performance of main segments by their operational result. Further information that includes detailed segment analysis can be found further in this report.

Net profit (loss) (In € thousands)	Q1 2020	Q1 2019
Real Estate (development and investment property)	830	1,194
Water Infrastructure (discontinued operation)	0	(2,922)
Other (Avis Ukraine, discontinued operation)	-	1,473
Total Operations	830	(255)
Holding (Corporate Finance and G&A)	(4,600)	(23,250)
Total	(3,770)	(23,505)

Further to the 2019 annual financial statements, during the reporting period the COVID-19 crisis continued to affect the Company's results. Due to the crisis, Galleria Dalian's operations and fair value were adversely impacted. The real estate development segment and the water infrastructure activities (discontinued operations) experienced some impact. For additional information see Note 1C to the interim consolidated financial statements and the result analysis below.

Kardan N.V.

- Q1 2020: €3.8 million net loss for the quarter to equity holders (Q1 2019: net loss of €23.5 million), is mainly due to interest expenses which were partially offset by positive impact of FX and Israeli CPI on the Company's debentures.

Real Estate

- Q1 2020: the net profit to equity holders of the real estate activities amounted to €0.8 million (Q1 2019: net profit of €1.2 million), mostly as a result of delivery of apartments in both Europark Dalian and the residential JV projects partially offset by a devaluation of the Galleria Dalian shopping mall in the amount of €2.9 million (Q1 2019: nil).
- The COVID-19 pandemic had a limited impact on the development activities and some impact on the investment property activities. As shops in the Galleria Dalian shopping mall had to be temporarily closed, a rental discount of €0.3 million in total was granted to tenants and the valuation of the shopping mall decreased by €2.9 million.

Water infrastructure (discontinued operation)

- Q1 2020: the result attributable to equity holders came in at nil. The result was impacted by delays in several projects. (Q1 2019: net loss of €2.9 million).
- Kardan's water infrastructure company - TGI, is currently in the midst of ongoing negotiations with the financing banks regarding the restructuring of their debts, which will include, among other things, continuing to provide credit to TGI.

The outbreak of the COVID-19 virus has had impact on the water infrastructure activities. In a significant part of the countries, the projects in which TGI takes part have continued in full or in part; and in some countries the projects have stopped completely. In addition, the economic crisis following the COVID-19 outbreak impacted some of the countries TGI is operating in. TGI estimates that its projects will continue.

Other

- The Company did not repay the February 2018, February 2019 and February 2020 scheduled payments of principal and interest to the Company's Debenture Holders (series A and B). As a result, starting February 2018 the Company is in default.
- The Board of Directors of Kardan requested Euronext Amsterdam to delist the ordinary shares of Kardan from the stock exchange Euronext Amsterdam ('Euronext Amsterdam'). On 23 June 2020 Euronext Amsterdam approved the Company's request to delist the ordinary shares of Kardan from the stock exchange Euronext Amsterdam effective as of 30 July 2020. The shares of Kardan remain listed on the Israeli Stock Exchange.

Ariel Hasson, CEO of Kardan NV:

Our Real Estate activities in China are steadily recovering from the lockdown, which was put in place in relation to the COVID-19 pandemic. Apartment sales in both the joint venture projects and our Europark Dalian project are increasing. Also in our shopping mall Galleria Dalian, footfall is recovering from a nearly halt during the peak of the lockdown when shops had to close temporarily. Nevertheless, it is still challenging to return to the growth trend as we have seen prior to the pandemic. Therefore, a cautious approach on the value of the mall has been taken, which is reflected in the decrease of € 2.9 million in valuation of Galleria Dalian. We shall continue to examine the need for further adjustments according to the circumstances. Furthermore, we are diligently working on the refinancing of the Europark loan, which is a key objective.

All in all, the real estate activities improved its results in Q1 2020 compared with Q1 2019.

Tahal continues to face significant challenges regarding its financial position, as the ongoing discussions with the banks regarding securing the resources allowing it to resume focus on operations are prolonging. Tahal substantially cut costs and is focusing on its core activities in order to improve its operation. In parallel, TGI is considering a number of alternatives to continue its operations if the discussions with the banks will not mature into an agreement.

We are seeing good progress in the negotiations with the debenture holders towards a debt settlement under a debt conversion mechanism as previously disclosed. We are hopeful to be able to advance the discussions to conclusion in Q3.

Given the financial standings of the Company and the high cost associated with the listing in Amsterdam which do not justify the benefits of that listing, Kardan announced the de-listing of its shares at the Euronext Amsterdam stock exchange effectively as per 30 July 2020.

Condensed Consolidated Income Statement Kardan N.V.

For information regarding the impact of COVID-19 on the Company's operations, see note 1(B) to the Condensed Interim Consolidated Financial Statements.

By quarter (in € thousands)

	Q1 2020	Q1 2019	12M - 2019
Total revenues	7,532	3,407	64,551
Total expenses	(6,870)	(4,748)	(60,396)
Profit (loss) from operations before fair value adjustments, disposal of assets and financial expenses	662	(1,341)	4,155
Loss from fair value adjustments	(2,867)	-	-
Profit (loss) from disposal of assets and investments and other income (expense), net	1,049	-	(1,555)
Result from operations before finance expenses	(1,156)	(1,341)	2,600
Financing expenses, net	(6,230)	(23,519)	(69,491)
Equity earnings, net	2,958	2,872	14,667
Profit (loss) before income tax	(4,428)	(21,988)	(52,224)
Income tax (expenses) / benefit	658	(67)	(727)
Profit (loss) from continuing operations	(3,770)	(22,055)	(52,951)
Loss from discontinued operations	315	(1,216)	(35,477)
Profit (Loss) for the period	(3,455)	(23,271)	(88,428)
Attributable to:			
Net result for equity holders	(3,770)	(23,505)	(83,712)
Non-controlling interests	315	234	(4,716)
	(3,455)	(23,271)	(88,428)
Other Comprehensive income (expense)	(56)	6,749	(7,393)
Total Comprehensive expense attributable to Kardan equity holders	(3,826)	(16,756)	(91,105)

Overall summarized review of Q1 2020 results

Kardan recognized a consolidated net loss attributable to equity holders of €3.8 million in Q1 2020 compared to a net loss of €23.5 million in Q1 2019.

The lower loss in Q1 2020 is mainly the result of lower financing expenses, due to the appreciation of the EUR versus the NIS, and the impact of the Israeli CPI on the Company's debentures. This had a positive impact of €3.6 million in Q1 2020, as opposed to a negative impact of €16 million in Q1 2019.

Revenues of the Real Estate activities amounted to €7.5 million in Q1 2020 (Q1 2019: €3.4 million). The rental revenues of Galleria Dalian increased slightly to €2.2 million in Q1 2020 (Q1 2019: €2.1 million), despite rental discounts in the amount of €0.3 million granted to tenants following the COVID-19 crisis. Combined with lower operating costs, the gross profit of the shopping mall came in at €1.5 million in Q1 2020 (Q1 2019: €1.1 million). The devaluation of the shopping mall, as a result of the impact of COVID-19, amounts to € 2.9 million. The development segment benefited from higher revenue from handover of apartments in the Dalian project. The share of profit of the joint venture residential projects remained stable in Q1 2020 and came in at €3.0 million (Q1 2019: €2.9 million).

Overall, the Real Estate activities reported an operational profit of €3.2 million in Q1 2020 compared to a profit of €3.3 million in Q1 2019. Although financing expenses decreased compared to last year due to the partial early repayment of the Dalian loan in Q3 2018 and Q3 2019, they are still at a high level. The net result of the Real Estate activities came in at a profit of €0.8 million in Q1 2020 compared to a profit of €1.2 million in Q1 2019.

Revenue of the water infrastructure activities decreased to €24.6 million in Q1 2020, compared to €35.4 million in Q1 2019. The gross profit decreased significantly compared to Q1 2019 mainly due to a mix of projects with relatively lower profitability, provisions for loss and delays of projects. SG&A expenses were lower compared to Q1 2019. Tahal recorded other operational income of €1.3 million in Q1 2020, primarily the result of a profit from the sale of an associated company. Finance expenses decreased from €3.2 million in Q1 2019 to €1.2 million in Q1 2020. The result attributable to equity holders came in at nil in Q1 2020 compared to a net loss of €2.9 million in Q1 2019.

Taking into account the direct equity impact of foreign currency translation differences and changes in the hedge reserves combined with the net result, the total comprehensive expense to Kardan NV's shareholders amounted to €3.8 million in Q1 2020 compared to a comprehensive expense of €16.8 million in Q1 2019. The other comprehensive expense was mainly a result of changes in foreign exchange rates.

Equity

Kardan N.V. (company only, in €thousands)	March 31, 2020	December 31, 2019
Total Assets	295,482	294,209
Total Equity	(154,428)	(150,602)
Equity/Total assets (%)	(52.3%)	(51.1%)

The deficit in shareholders' equity of Kardan N.V. increased from a deficit of €150.6 million as of December 31, 2019 to a deficit of €154.4 million as of March 31, 2020, primarily due to the loss in the period, which is – as mentioned – mainly the result of the heavy finance costs on the debentures.

Negotiations with debenture holders

Since the Company did not repay the principal and interest payments which were due in February 2018, February 2019 and February 2020, the Company is in default according to the Deed of Trust as of February 2018. Accordingly, as of March 31, 2018 and until the repayments to the Debenture Holders are rescheduled, the debentures are presented as current liabilities and bear interest in arrears.

Management is advancing the negotiations with the representatives of the debenture holders and hopes to reach a debt settlement in the third quarter of 2020. The framework of the debt settlement is based on conversion of a portion of the debt into the Company's shares which will grant the control over the Company to the Debenture Holders. Such settlement is not final and is subject to various approvals, including the approval of Kardan's general meeting of shareholders and the approval of the Debenture Holders. Accordingly, as of the date of this report, there is no certainty regarding reaching such agreement, its terms and/or the date of its approval.

Covenants

The Company did not meet the debt coverage ratio financial covenant as defined in the Deeds of Trust for the tenth consecutive quarter.

In addition, at March 31, 2020 some Group companies (included in the discontinued operation) did not meet certain financial covenants for which waivers have not yet been received from the lending banks.

Financial position and going concern

In their review report as of March 31, 2020, the auditors draw the attention to the existence of a material uncertainty which may cast significant doubts about the Company's ability to continue as a going concern, due to - among others - the Company's inability to meet the February 2018, 2019 and 2020 payment to the Debenture Holders. As mentioned, as at the date of this report, the Company is in negotiations with the debenture holders (series A and B) regarding a debt settlement, which entails, amongst others, conversion of debt to equity and transfer of the control of the Company to the Debenture Holders. However, there is no certainty as to the results of these discussions. For additional information regarding the financial position of the Company, see section 3 of the Report of the Board of Directors regarding the cash flow forecast. In addition, please refer to Notes 1 and 8 to the Condensed Interim Consolidated Financial Statements of the Company in relation to the investment in Tahal.

Highlights per activity:

The following is an analysis of the results of the different activities for Q1 2020.

REAL ESTATE

Kardan is active in development and management of Real Estate in China through its 100% indirect subsidiary Kardan Land China Ltd. ('KLC'). In order to better reflect the underlying activities, the Company presents the results of the Real Estate activity as two operational segments: Real Estate - Development and Real Estate - Investment Property. The Real Estate - Investment Property segment only includes the results of operation of the Galleria Dalian shopping mall; the Real Estate - Development segment includes the results of the residential development of the Europark Dalian project as well as the results of residential real estate projects under joint control.

Results

In thousands of Euro	For the three months ended March 31,		For the year ended December 31,
	2020	2019	2019
Real Estate - Development			
Sale of apartments	5,331	1,316	55,496
Cost of sales	(3,784)	(1,023)	(47,053)
Gross Profit	1,547	293	8,443
SG&A expenses	(434)	(447)	(2,889)
Gain (loss) from disposal of fixed assets and investments, net	-	-	(1,555)
Equity earnings (losses)	2,958	2,872	14,667
Operational profit - Real Estate Development segment	4,071	2,718	18,666
Real Estate - Investment Property			
Rental revenues	2,201	2,091	9,055
Cost of rental revenues	(706)	(994)	(3,529)
Gross Profit	1,495	1,097	5,526
SG&A expenses	(552)	(494)	(1,497)
Loss from fair value adjustments	(2,867)	-	-
Profit from other income (expense), net	1,049	-	-
Operational profit (loss) - Real Estate Investment Property segment	(875)	603	4,029
Total operational profit (loss) - Real Estate	3,196	3,321	22,695
Other unallocated expense	(494)	(559)	(2,217)
Profit (loss) before finance expenses and income tax	2,703	2,762	20,478
Finance expenses, net	(2,531)	(1,541)	(8,287)
Tax benefits (expenses)	658	(27)	(653)
Profit (Loss) for the period – attributed to Company's shareholders	830	1,194	11,538

Additional information - Kardan Land China

	For the three months ended March 31		For the year ended December 31
	2020	2019	2019
Operational Information			
Revenue Residential - JV (in €thousands) *	11,584	13,636	62,861
Gross profit residential - JV (in €thousands) *	7,328	5,312	29,276
Apartments sold in period (a)	189	77	678
Apartments delivered in period (b)	197	313	1,679
Total apartments sold, not yet delivered (c)	865	1,660	875

(a) All residential apartments, incl. Dalian (100%).

(b) In Q1 2020 18 apartments were delivered in the Dalian project compared to nil apartments in Q1 2019.

(c) KLC's part in the gross profit from apartments sold, not yet delivered is estimated at €18 million as of 31 March 2020.

Units sold in the period	For the three months ended March 31		For the year ended December 31,
	2020	2019	2019
100% owned			
Europark Dalian	16	11	91
Joint Venture projects*			
Olympic Garden	39	32	135
Suzy	122	28	297
Palm Garden	2	-	2
City Dream	10	6	153
	173	66	587
Total	189	77	678

* 100% number presented; KLC holds approx. 50%

Real Estate – Development

The Real Estate Development segment relates to the residential projects of Europark Dalian and the joint venture residential projects.

In Q1 2020 revenue from the sale of apartments (the handover of apartments in the Europark Dalian project) amounted to €5.3 million (Q1 2019: € 1.3 million) and was impacted by a moderate decrease in the selling prices of the apartments following the COVID-19 crisis. In Q1 2020, 18 units in the C towers of the Europark Dalian project were delivered, compared to nil in Q1 2019, when all revenues of the segment resulted from the progress of construction. Also in Q1 2020 some revenue was recognized in relation to progress of construction of certain apartments.

SG&A expenses remained virtually stable at €0.4 million. Selling and marketing activities mainly relate to the C towers in the Europark Dalian project, of which the sales process commenced in 2017, and are somewhat levelling off since sales are progressing.

'Equity earnings' (the result of the residential activities from joint venture projects) remained stable and contributed a profit of €3 million in Q1 2020, compared with a profit of €2.9 million in Q1 2019. Revenue of the residential joint venture projects in Q1 2020 amounted to €11.6 million (Q1 2019: €13.6 million). Despite the COVID-19 crisis, in Q1 2020 interest remained strong and materialized in relatively high number of apartments sold in most of the Group's residential joint venture projects.

The profit from operations of the Real Estate development segment amounted to €4.1 million in Q1 2020 compared to a profit of €2.7 million in Q1 2019.

The total number of units in inventory increased from 1,794 at December 31, 2019 to 1,860 as at March 31, 2020. The number of unsold units in inventory (including the inventory of joint venture projects) increased to 995 as at March 31, 2020 (919 as at December 31, 2019). The rate of unsold units for which construction was completed as at March 31, 2020, remained stable at 34%. Following the COVID-19 crisis, management's examination, taking into account sales after balance sheet date, concluded that no impairment of the value of the apartment inventory in any of the residential projects was required.

Real Estate – Investment Property

The Real Estate Investment Property segment relates to the results of operation of the Galleria Dalian shopping mall.

Revenues of the Investment Property segment increased slightly to €2.2 million in Q1 2020 (Q1 2019: €2.1 million) despite rental discounts in the amount of €0.3 million, granted to tenants in Q1 2020 following the COVID-19 crisis.

The gross profit increased significantly from 52% in Q1 2019 to 68% in Q1 2020 due to actions taken by the management to reduce operating expenses which included mainly reduction of manpower costs.

SG&A increased slightly from €0.5 million in Q1 2019 to €0.6 million in Q1 2020, mainly due to additions to the bad debts provision as a result of the impact of the COVID-19 crisis.

Due to the restrictions imposed by the authorities in China following the outbreak of COVID-19, shops had to be temporarily closed which resulted in a sharp decrease in the footfall and sales. As of 31 March 2020, 42 shops remained closed (out of 193 shops). As of the date of this report, only 32 shops remain closed. At end of May, the number of visitors and the sales turnover of the shopping mall reached approximately 72% and 68% respectively, of their rate before the COVID-19 outbreak. In light of the impact of the COVID-19 crisis on the operational parameters of Galleria Dalian shopping mall in Q1 2020, the Company prepared an update to the valuation as of December 31, 2019, which resulted in a devaluation in the amount of €2.9 million of the investment property as at 31 March, 2020.

Following the above the result of operations of the Investment Property segment came in at a loss of €0.9 million in Q1 2020 (Q1 2019 €0.6 million profit).

The value of the investment property amounted to €211.9 million as per 31 March 2020 compared to €214.6 million at year-end 2019. The decrease in value included a positive impact of €0.2 million as a result of the appreciation of the RMB versus the EUR (2019: positive impact of €1 million).

Real Estate - Total

Overall, the Real Estate activities reported an operational profit of €3.2 million in Q1 2020 compared to profit of €3.3 million in Q1 2019.

Financing expenses, net, amounted to €2.5 million, compared to €1.5 million in Q1 2019. The financing expenses mainly include interest expenses related to the Europark Dalian project loan as well as a positive foreign exchange impact of €0.2 million, compared with a positive foreign exchange impact of €0.6 million in Q1 2019.

Tax expenses / benefit in Q1 2020 amounted to a benefit of €0.7 million as a result of the change in deferred tax assets (Q1 2019: €0.03 million tax expenses).

Net profit in Q1 2020 amounted to €0.8 million (Q1 2019: €1.2 million profit).

Loans – the project loan amounting to €95.2 million as of March 31, 2020 is presented as a short-term liability as it matures in November 2020, unless extended for an additional year as stipulated in the loan agreement, or refinanced. KLC and the lending bank are currently negotiating to extend the loan. After balance sheet date it was decided to make partial early repayments of the project loan in the amount of up to RMB 150 million (€19 million). The early repayments are expected to take place from June until November 2020. In June 2020 KLC made an early repayment of RMB 90 million (€11.5 million).

Additional balance sheet information - Kardan Land China

	2020	2019
	(31.3)	(31.12)
<i>(in €thousands)</i>		
Real Estate – Development		
Share of investment in JVs	50,361	47,168
Inventory	37,491	41,728
Real Estate – Investment Property		
Investment Property	211,940	214,577
Cash & short-term investments	30,420	36,619
Total Assets	378,593	386,677
Loans and Borrowings	95,160	95,029
Advance payments from buyers (Real Estate – Development)	1,614	4,657
Total Equity	227,518	226,221

WATER INFRASTRUCTURE (TGI) - Discontinued operations

The results of Tahal Group International B.V. ('TGI' or 'Tahal'), Kardan's water infrastructure company, are presented under 'Profit (loss) from discontinued operations - TGI'.

TGI focuses on executing water related, agricultural and environmental projects worldwide in Africa, Central and Eastern Europe, Asia and in other regions.

In thousands of Euro

	For the three months ended March 31,		For the year ended December 31,
	2020	2019	2019
Contract revenues	24,258	35,415	152,844
Contract cost	(21,519)	(30,916)	(145,524)
Gross profit	2,739	4,499	7,320
SG&A expenses	(2,398)	(2,909)	(11,627)
Share of profit (loss) of investments accounted for using the equity method	(97)	(808)	1,028
Other operational income (expenses)	1,272	(851)	(21,877)
Result from operations before financing expenses	1,516	(69)	(25,156)
Financing income (expenses), net	(1,173)	(3,227)	(5,476)
Income tax expenses	(364)	608	(5,139)
Net result of water infrastructure activities	(21)	(2,688)	(35,771)
Adjustments to investment in TGI	336	-	(1,178)
Net result	315	(2,688)	(36,949)
Attributable to:			
Equity holders (Kardan N.V.)	0	(2,922)	(32,233)
Non-controlling interest holders	315	234	(4,716)
	315	(2,688)	(36,949)

Additional Information Water Infrastructure	2020 (31.3)	2019 (31.12)
<i>Balance sheet (in €thousands)</i>		
Cash & short-term investments	11,411	11,653
Total Assets	176,019	183,523
Net debt		(49,363)
Equity attributable to equity holders (Kardan N.V.)	0	0
Equity/Assets	0%	0%
<i>Other (in USD million)</i>		
Backlog	568.1	506.2

During Q1 2020 Kardan's discontinued operation - Water Infrastructure – reported a result attributable to equity holders of nil compared to a loss of €2.9 million in Q1 2019

Revenues of the water infrastructure activities decreased in the first quarter of 2020 to €24.3 million compared to €35.4 million in Q1 2019.

The gross margin decreased to 11.3% in Q1 2020 compared to 13% in Q1 2019 following a change in the mix of projects with a relatively low profitability and a provision for losses on a project.

Other operational income amounted to €1.3 million in Q1 2020, compared to an expense of €0.8 million in Q1 2019 and primarily includes a profit from the sale of an associated company. Combined with the decrease in gross profit, the operational result amounted to a profit of €1.5 million in Q1 2020 compared to an operational loss of €0.1 million in Q1 2019.

Financing expenses decreased from €3.2 million in Q1 2019 to €1.2 million in Q1 2020. Finance expenses are mostly due to interest expenses on utilization of credit lines, and during the first quarter of 2020 were offset by positive FX impact.

In Q1 2020 the water infrastructure activities generated a negative cash flow from operating activities of €2.2 million.

Equity of TGI decreased mainly due to the loss for the period.

In order to finance its operations, TGI has utilized short term credit lines amounting to €52 million from banks. As a result of delays in receiving advance payments from certain projects, TGI had to extend those credit lines until December 2019. As of the date of this report one credit line of US\$ 25.6 million was extended until December 2020. The financial difficulties that TGI is facing are stemming from the negative cash flow performance, as a result of, amongst others, substantial delay of the start of new projects in Angola, in which TGI heavily invested.

TGI has been negotiating with its financing banks regarding a restructuring of its debt to the banks in parallel to the continued support of TGI in its efforts to reorganize and improve its operations, allowing TGI to return to solid financial performance. This plan includes support in the form of a facility consisting of guarantees required to advance projects and cash credit line to support TGI's working capital. For additional information regarding TGI financial position refer to Note 8 to the Interim Consolidated Financial Statements of the Company.

As a result of the financial position of Tahal, the Company decided to fully impair its investment in Tahal. As a result, an impairment was recorded in 2019 and following which the equity of Tahal attributable to the Company in its financial statements stands at nil as of December 31, 2019 and March 31, 2020.

CORPORATE HOLDING AND OTHER

In thousands of Euro

	For the three month ended March 31,		For the year ended December 31,
	2020	2019	2019
Corporate expenses:			
General and administration expenses	(901)	(1,231)	(3,211)
Financing income (expense), net	(3,699)	(21,979)	(61,204)
Income tax expenses	-	(40)	(74)
	(4,600)	(23,250)	(64,489)
Other activities:			
Equity earnings (Avis Ukraine - discontinued operations)	-	1,473	1,472
	-	1,473	1,472

Corporate expenses:

G&A expenses in Q1 2020 decreased to €0.9 million compared to €1.2 million in Q1 2019, mainly due to lower consultancy services expenses.

Financing expenses decreased to €3.7 million in Q1 2020, compared to €22 million in Q1 2019 mainly due to net positive impact of foreign currency exchange differences and Israeli CPI in Q1 2020 compared to Q1 2019. The net positive impact of foreign exchange differences and the Israeli CPI on the Company's debentures, which are denominated in NIS, was €3.6 million in Q1 2020 (Q1 2019: €16 million negative). Finance expenses also include interest in arrears on the Company's Debentures.

The `Income tax expenses` relates to tax on hedge instruments.

Other activities

Other activities consisted of equity earnings from the Company's holding in Avis Ukraine joint venture. Following the completion of the sale transaction of the Company's holding in Avis Ukraine in Q1 2019, a gain of €1.4 million was recorded.

DISCLAIMER

This press release contains forward-looking statements and information, for example concerning the financial condition, results of operations, businesses and potential exposure to market risks of Kardan N.V. and its group companies (jointly "Kardan Group"). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements (including "forward looking statements" as defined in the Israeli Securities Law). Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target", "risks", "goals", "should" and similar terms and phrases. A variety of factors, many of which are beyond Kardan Group's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Kardan Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For Kardan Group, particular uncertainties arise, amongst others but not limited to and not in any order of importance, (i) from dependence on external financing with the risk that insufficient access to capital threatens its capacity to repay its debts, grow, execute its business model, and generate future financial returns (ii) from concentration of its business in Central Eastern Europe, Africa, India and China as a result of which Kardan Group is strongly exposed to these particular markets (iii) from risks related to the financial markets as a result of Kardan N.V.'s listings on Euronext Amsterdam and the Tel Aviv Stock Exchange (iv) from it being a decentralized organization with a large number of separate entities spread over different geographic areas in emerging markets, so that Kardan Group is exposed to the risk of fraudulent activities or illegal acts perpetrated by managers, employees, customers, suppliers or third parties which expose the organization to fines, sanctions and loss of customers, profits and reputation etc. and may adversely impact Kardan Group's ability to achieve its objectives (v) from the impact of the COVID-19 crisis (vi) from the inability to finalize the negotiations TGI is conducting with its financing banks and (vii) from any of the risk factors specified in Kardan N.V.'s Annual Report to be published in April and in the related "Periodic Report" (published by Kardan N.V. in Israel), and which is also available at the Kardan website. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Kardan N.V. does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

About Kardan

Kardan identifies and develops assets in promising emerging markets, mainly in Asia (predominantly China), Africa and selected CEE and CIS countries. Its activities are mainly focused on two sectors that benefit from the rising middle class: Real Estate and Water Infrastructure. Company headquarters are in the Netherlands. Kardan aims at holding controlling interests in its investments and is actively involved in the definition and implementation of their strategy through its local business platforms. Total assets as of March 31, 2020 amounted to €527 million. Kardan is listed on Euronext Amsterdam and the Tel Aviv Stock Exchange.

The Directors' Report including the non-statutory consolidated financial statements, drawn up in line with the Dutch and Israeli regulations, are presented in a separate document and form an integral part of this release.

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